

6. Housing

6. Affordable Housing

A national study of housing needs undertaken by Dr Steve Wilcox of Sheffield Univ. for the Joseph Rowntree Foundation, gave the following information for the N.Devon area. (2003)
Average earnings £15000 to £16000 p.a. Ratio of house price to average earnings, for the lowest quartile house prices of 5.1:1

Since that date earnings have risen by no more than 5%, whilst house prices, particularly in the Northam area, have risen by over 20%. This has made the imbalance between house prices and earnings even worse and it now stands at nearly 7:1.

The Housing Needs survey conducted by Torridge DC shows that nearly 400 new, 'affordable' housing units are required each year, just to keep up with demand. This is in addition to homes provided by developers, for which an income of £32 000 p.a. is required to purchase a one bedroom flat in Northam. **Note App 10.1.** Getting on to the housing ladder is obviously very difficult for anyone wanting to live in the area, and the high prices reflect into the rental market as well.

There are several proposals for how this situation might be improved, and a Task Group has been set up by TDC to come up with preferred approaches. Northam Town Council should make its recommendations to this group.

6.1. Land Prices and availability

The most significant factor in the cost of a property, is the cost of the underlying land.. NTC should try to identify opportunities for development on land which might not

otherwise be included in the local area plan. Such land, known as exception sites, could be on the fringes of planning boundaries. In normal circumstances, development would not be permitted, but might be allowed if it lead to the availability of lower price housing.

Within the Northam area there is a policy of separation of settlements, ie green gaps between say Northam and Appledore. This does not lend itself to exception site opportunities.. However, in the interests of the wider community, NTC might consider waiving this for small developments. If possible, NTC would like TDC to write a policy statement on exception sites into the new structure plan, which could encourage development, if they are to be used for low cost housing, ie at low land prices.

Another potential source of land is the local Councils, Torridge and Devon. It is normally incumbent for Councils to sell assets for the best price, but in the case of supplying land for low cost development, there are precedents for the sale at a reduced value.. (see Torridge's sale of land over the past twelve years to Housing Associations). One possible site might be the land purchased for use as a cemetery in Northam, an application turned down by the Environment Agency. NTC would ask the assets management group at TDC to examine possible sites for this use. Devon CC should also be asked. It has also recently been announced that the NHS is selling off surplus land assets for this purpose.

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6.2. Section 106 Agreements

Currently, developers seeking planning approval for housing, are asked to make a certain percentage of the development affordable homes. It is unfortunately the case that the prices even of these properties is commonly beyond the reach of average wage earners in Torridge, and in any case disappear from the affordable stock on the first resale. NTC does not have information on the numbers of 'affordable' homes provided by this route in Torridge.

To be of real benefit to the community, a section 106 agreement, as for example the one for the Bath Hotel site in Westward Ho! might be better used to provide cash for the purchase of land sites which could then be developed by Housing Associations.. The resulting properties could then be rented or sold into shared ownership equity schemes. However, it is also important to recognise that experience has shown that high density, low cost housing schemes do not always yield a good living environment.. It appears necessary to inter-mix housing of this type with conventional property.. Thus income generated by section 106 agreement should preferably be used for the purchase of relatively small sites. This same argument prevails when considering the percentage of affordable homes to be provided by a developer on a conventional large site. If the percentage is too high there may be an undesirable impact on the whole development. Again experience has shown that 20% is generally the upper limit. In the USA the ratio is much lower at 12%. NTC would not like to see the ratio go over 20%

6.3. Alternative construction techniques

There are claims made by a company called Denstone Construction that construction costs are significantly reduced by the use of polystyrene blocks assembled then filled with concrete.

There are many examples of this type of build and NTC see no reason why it should not be encouraged, especially as the thermal insulation is better than conventional.

Another alternative is the wooden frame buildings designed and built by ADVANTAGE

There are other alternatives, eg straw bales!, which are environmentally friendly, but not necessarily compatible with volume building.

NTC would be interested in any mechanism which allows these alternatives to be evaluated and subsidised, preferably by means of a Community Land Trust.



Comment

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6.4. Sharing the cost

Shared ownership schemes

These schemes literally split the ownership of the property between the occupier and another body. The occupier pays a mortgage on that percentage owned by him, and rental for the element which is not his. Such schemes do not have a great deal of merit, as the outgoings are still too high a proportion of income.

Shared equity schemes

These schemes split the ownership and the occupier pays a mortgage on that percentage he owns. He does not pay rent. The remainder of the property is owned by a Trust, who rely on increasing property values to maintain their capital investment, which they realise when the property is sold. The occupier also pays a fairly nominal ground rent, or maintenance charge. There are protection clauses for the event of negative equity.

Subsidised rental

In which the necessary economic rental is subsidised by a local body, Council or charity, to yield a manageable rent for the occupier. Such schemes are largely discredited as the occupier has little interest in maintaining the property or looking after it. They do serve a valuable purpose however, for handicapped families, with specialist building needs.

Maintaining ownership

If a supply of reasonably priced homes is to be maintained, then it is important to stop the property entering the free market. The shared equity schemes impose a limitation on resale, which generally must be through the Trust organisation.

Conclusions and recommendations

There is not a lot of opportunity for many more homes in the Northam area. The infrastructure, particularly the road network, is already clogging up, and if urban gaps are to be maintained there is not much development land available. We see more opportunity for affordable housing in the fringes of the planning development boundaries of other settlements in Torridge.

However, within the Northam area there are small opportunities at Cornborough, and along Golf Links Road, and possibly on some infill sites at Appledore (north of Blackies) and Westward Ho!

Affordable Housing should be distributed, not grouped in one place. Emphasis is on smaller units.

Design should be consistent with village design statements, and NTC would appreciate being given an opportunity to discuss schemes with developers before design is too far advanced.

Community Land Trust

A Trust needs to be established or a management co. with local board members, specifically for the task of locating land, negotiating purchase, placing construction contracts and managing the sale, rental and resale of properties.

The Town Council would welcome the opportunity to be part of a working group addressing this problem.